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**Section 3 Compliance Form**

(Submit this form within 30 days of the Project=s Completion.)

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**Section 3 Definition**

The Section 3 regulation was established to provide economic opportunities, in the means of subcontracts, jobs and training, to all residents and businesses classified to be of low to very low income status residing within the general proximity of the federally funded project.

Section 3 opportunities must be extended to all residents and businesses within the general project proximity that qualify under the following guidelines:

**Section 3 Residents**

Section 3 residents are defined as:

1. A Low-income persons≡ and A very low-income persons≡ have the same meanings given the terms in section 1(b)(2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary=s findings such that variations are necessary because of prevailing levels of construction costs or unusually high-or-low-income families (including single persons) whose income do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary=s finding that such variations are necessary because of unusually high or low family incomes.
2. Having proof of residency within the general project proximity.

**Business Concern**

Business concern means a business entity formed in accordance with state law, and which is licensed under state, county or municipal law to engage in the type of business activity for which it was formed.

Section 3 business concern means a business concern, as defined as:

1. It is 51 percent or more owned by Section 3 residents; or
2. Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
3. That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2).

**Section 3 Clause**

Addendum to Contract dated \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_ (Grantee) and \_\_\_\_\_ (Contractor), (collectively, AThe Parties≡).

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of the Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD=s regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any a notice advising the labor organization or workers= representative of the contractor=s commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set for minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the anticipated date the work shall begin.
- D. The contract agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor=s obligations under 24 CFR Part 135.
- F. Noncompliance with HUD=s regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- G. With respect to work performed in connection with Section 3 covered Indiana housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7 (b) requires that to the greatest extent feasible (1) preference and opportunities for training and employment shall be given to Indians, and (2) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned economic enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

**Section 3 Compliance**  
(To be completed by Grantee)

**General Information**

<b>Grantee:</b>		<b>Grant Number:</b>	
<b>Contractor:</b>		<b>Contract Amount:</b>	\$

**Project Information**

<b>1. Is your CDBG award greater than \$200,000?</b>		
	<input type="checkbox"/>	<b>Yes.</b> Section 3 applies to this project. Go to question #2.
	<input type="checkbox"/>	<b>No.</b> Go to question #2.
<b>2. Does the project involve any contracts that exceed \$100,000?</b>		
	<input type="checkbox"/>	<b>Yes.</b> Section 3 applies to the Grantee, its subrecipient (if applicable), and contractors with contracts exceeding \$100,000 or subcontracts. (Complete remainder of form.)
	<input type="checkbox"/>	<b>No.</b> Section 3 applies to the Grantee and its subrecipient (if applicable). (Complete remainder of form with respect to these entities.)
<b>3. Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low and very low income persons, particularly those who are recipients of government assistance for housing (check all that apply):</b>		
	<input type="checkbox"/>	Attempted to recruit low-income residents through local advertising media, signs prominently displayed at the project site, contracts with community organizations and public or private agencies operating within the metropolitan area or nonmetropolitan county in which the Section 3 covered program or project is located or similar methods.
	<input type="checkbox"/>	Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
	<input type="checkbox"/>	Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
	<input type="checkbox"/>	Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
	<input type="checkbox"/>	Other. Describe:

Form Continued

4. The date reported to IDOC in this section must be a compilation of information throughout the grant time frame pertaining to the Grantee and each applicable contractor or subcontractor (including a subrecipient or grant administrator, if applicable).

Job Category	Staff		New Hires/Trainees	Staff Hours	
	Total # of Employees	Total # of Employees that are Section 3	Total # of new Hires/Trainees that are Section 3 Residents	Total # of Staff Hours for New Hires that are Section 3 Residents	Total Staff Hours for Section 3 Employee
Professional					
Technician					
Office/Clerical					
Construction by Trade: (List)					
Trade:					
Trade:					
Trade:					
Trade:					
Trade:					
Other:					

**Section 3 Employment Opportunities  
for Low and Very-Low Income Persons**

**Verification of Status by Employee**  
(To be completed by Section 3 Employee)

At the time of my employment by \_\_\_\_\_ in the position of \_\_\_\_\_, beginning on \_\_\_\_\_, my employment and/or household income status was (check all that apply:)

<input type="checkbox"/>	Unemployed
<input type="checkbox"/>	Employed Part - time
<input type="checkbox"/>	Fully Employed (more than 37 2 hours per week) at a rate of \$ _____ per hour.

and/or, I am

<input type="checkbox"/>	A resident in public housing or a recipient of Section 8 housing assistance.
<input type="checkbox"/>	A resident of jurisdiction _____.
<input type="checkbox"/>	A full - time student over the age of 18.
<input type="checkbox"/>	A part - time student over the age of 18.

and/or, I am

<input type="checkbox"/>	A Low-income person as defined below.
<input type="checkbox"/>	A Very - low - income person as defined below.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Current Address: \_\_\_\_\_

ALow-income persons and Avery low-income persons have the same meanings given the terms in section 1(b)(2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings such that variations are necessary because of prevailing levels of construction costs or unusually high-or-low-income families (including single persons) whose income do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's finding that such variations are necessary because of unusually high or low family incomes.

**Section 3 Employment Opportunities  
for Low and Very-Low Income Persons**

**Certification of Eligibility for Section 3 Business Preference**  
(To Be Completed by Section 3 Business)

I, \_\_\_\_\_, hereby certify that the business concern which I own or represent qualifies for preference as a Section 3 Business Concern (as defined by 24 CFR 135.5) by virtue of the following qualifications (check all that apply):

	It is 51 percent or more owned by Section 3 residents.
	Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents.
	That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in the above paragraphs.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Typed Name: \_\_\_\_\_ Title/Office: \_\_\_\_\_

Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

**STATE OF INDIANA**  
**COUNTY OF \_\_\_\_\_, SS**

Subscribed and sworn to before me, a Notary Public, in and for said county and state, this \_\_\_\_ day of \_\_\_\_\_, 2001.

Notary Public

Resident of \_\_\_\_\_ County, Indiana

My commission expires: \_\_\_\_\_, 20